Appendix I.

[Vide answer to starred question No. 50-A asked by Janab Abdul Latif Farookhi (on behalf of Dr. V. K. John) at the meeting of the Legislative Council held on 26th November 1949, page 610 supra.]

The Government of India have given an assurance to the Rulers of the merged States that as far as possible all permanent members of the public services in the States would be absorbed on conditions which will not be less advantageous than those which they were receiving before the merger. They are, therefore, bound morally and otherwise to ensure that the guarantees are fulfilled both in letter and in spirit and have accordingly directed that their guarantees with reference to permanent public servants should be scrupulously observed; that wherever it becomes necessary to terminate the services of any person for no fault of his or because of his unsuitability or otherwise he should be paid adequate compensation; that it will be unfair if an attempt is made to settle less favourable terms with any of the employees who may have no option but to accept them for fear of loss of career; and that every effort should be made to utilize such talents as are available as there is an all-round shortage of experienced personnel having knowledge of local conditions.

2. Ancillary to the Government of India's instructions the Madras Government have laid down the following principles regarding the absorption of the members :—

(i) Persons occupying specific posts in the States who possess qualifications similar to those possessed by occupants of corresponding posts in Madras should be retained in service. There is, however, no need to consider posts of similar title in the merged States as equivalent. The criteria should be the area of jurisdicition and to some extent the pay drawn in the State before absorption.

(ii) Persons possessing inferior qualifications but occupying posts which under the Madras Government require superior qualifications should be offered alternative posts to which their qualifications entitle them in Madras and if they refuse, they may be retired or discharged on payment of compensation for loss of career.

(iii) Those who have no qualifications may be retired on compensation for loss of career. Wherever considered necessary these unqualified persons may, however, be retained in service on their previous pay scales. They will be governed by and retired under the State rules and should not be regarded as members of any of the Madras Government Services.

(iv) Persons who do not possess the requisite departmental qualifications will be given two years' time from 1st January 1949 to acquire the qualifications prescribed for the posts in which they

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are absorbed. Till they get themselves so qualified, they may be allowed to draw only the pre-merger rates of pay and allowances. They will be deemed to have been reguarly absorbed only after they qualify themselves within the prescribed period. If they do not qualify themselves within this period, they may be retired on proportionate pension or compensation as laid down in paragraph 10 below or if they so elect, they may be retained in service on their previous pay scales and governed by and retired under State rules.

3. The Board of Revenue has asked the Collectors concerned to re-examine all cases in the light of the following instructions :—

(1) All permanent staff must be continued till absorbed in Madras Services or retrenched. If retrenched, 3 months' notice is necessary and suitable compensation for loss of career must be paid.

(2) Temporary staff, if supernumerary to requirements, should be disbanded after one month's notice.

(3) All State servants must continue to receive the same rates of pay which they were receiving before.

The Collectors have been asked to consult other district officials with a view to ascertaining the possibility of absorbing any of the surplus staff in the corresponding departments and to send revised proposals in the light of the above instructions and to furnish—

(*a*) A list of persons to be retrenched showing whether they are permanent or temporary; (*b*) a list of persons to be absorbed and who may continue to be employed; and (*c*) a list of persons who are surplus to the requirements of the merged area but who could be absorbed in suitable similar posts in the Presidency. In the case of persons to be absorbed, proposals have been called for, for their absorption into Madras Services with details of relevent rules to be relaxed.

4. The details called for by the Board of Revenue referred to in the foregoing paragraph will be received in the administrative departments of the Secretariat concerned either through the Board of Revenue or through the heads of departments concerned. Departments of the Secretariat will take the necessary action for the absorption of such staff adoption the abovementioned general principles by relaxing, if necessary, the relevant rules in consultation with the Public (Services) Department. They may also leave it to the head of the department concerned or to the Board of Revenue to take the necessary action for the absorption of the non-pensionable staff having due regard to the principles already enunciated, if they consider it necessary. The staff [unqualified persons referred to in paragraph 2 (iii) excepted, shall] after they have been absorbed, be deemed to belong to the corresponding services under this Government and be governed by the rules in force in this Province. Their previous qualifying service in the State should count for purpose of pension, etc.

5. In fixing the pay of the State employees in the time-scales of pay of posts to which they are appointed or in which they are

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absorbed, care should be taken to implement the assurances of the Government of India referred to in paragraph 1 above. Fully qualified staff when taken into posts in the subordinate services under this Government, should be brought on to the time-scales of pay of the posts and should be allowed the benefits of advance increments in the manner prescribed below and as laid down in G.O. No. 78, Finance, dated 6th February 1947 :—

(*a*) The pay of every permanent State employee should be fixed in the appropriate scales of the corresponding post to which he is appointed at the stage next above his pay in the State Service.

(*b*) If such aggregate is less than the minimum of the scale of the post to which he is appointed, his pay shall be fixed at such minimum.

(*c*) After his pay is fixed under sub-paragraphs (*a*) or (*b*) above, as the case may be, he shall be granted advance increments in the revised scale as specified below :—

(i) For a service of 4 years and more but less than 8 years in his previous scale.	**One advance increment.**
(ii) For a service of 8 years and more but less than 12 years in his previous scale.	**Two advance increments.**
(iii) For a service of 12 years and more but less than 16 years of service in his previous scale.	**Three advance increments.**
(iv) For a service of 16 years and more in his previous scale.	**Four advance increments.**

(*d*) Where an officer is granted any advance increment or increments under sub-paragraph (*c*) above, only service from the date on which such advance increment or increments are given shall count for further increments.

(*e*) An officer not eligible for any advance increment under sub-paragraph (*c*), shall be allowed to count service in the scale of pay in force in the State which has not already been counted for increments, for increments in the revised time-scales up to a maximum of one year.

6. The pay of the fully qualified officers appointed to posts in the Provincial Gazetted Services of this Government should be fixed in the corresponding scale at the stage next above their pay in State Service.

7. These concessions do not apply to members who are not fully qualified.

8. There may be cases where persons in the State's Service have been on a higher scale of pay for which there is no corresponding scale in Madras Service. Where suitable scales of pay

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in Madras Service do not exist, the staff may be absorbed in posts in which they can appropriately be absorbed; the excess pay, if any, drawn by them being treated as personal pay. Cases where the application of this principle works hardship, can be dealt with individually on their merits.

9. Some of the State employees were in receipt of certain special concessions, e.g., rent-free quarters, free conveyance or conveyance at nominal cost. Such cases may be few and their cases can also be considered individually on their merits.

10. State employees who are to be discharged from service for one reason or other as a result of the reorganization of the departments, should be paid compensation as laid down below :—

(1) State employees who have put in less than 10 years' service may be paid compensation at the rate of a month's salary for each year of service.

(2) Persons who have put in a service of 10 years and more may be retired according to the rules in force in the States or according to the Madras Rules, whichever are advantageous to the employees.

11. The absorption of members, the refixation of pay and other concessions sanctioned in this Order, shall have effect from 1st January 1949 and no claims to retrospective effect before that date will be considered under any circumstances.

OFFICE MEMORANDUM.

[*Subject.*—States—Banganapalle and Pudukkottai—Merger—Staff—Absorption—Payment of dearness allowance, etc.

Reference.—G.O. 855, Public (Political), dated 26th March 1949.]

The following sentence shall be added to sub-paragraph (*a*) of paragraph 5 of G.O. No. 855, Public (Political), dated 26th March 1949 :—

"He should also be paid dearness allowance at the appropriate rates which are in force in this Province from time to time and will be eligible to such other concessions as are available to the incumbents of similar posts in this Province."